

*BEST COPY*  
*AVAILABLE*

for dismissal. There are at present 3 doctors and 32 nurses.

I ask the distinguished Senator from Massachusetts, chairman of the Armed Services Committee, what the committee's intention was in making the reduction. Was it intended to reduce the number of employees of the Veterans' Administration throughout the Nation?

Mr. SALTONSTALL. I will answer my friend from Nevada in this way: Neither the House nor the Senate reduced the appropriation for operating expenses in the hospitals. In the opinion of the Administrator, according to his testimony, there is money enough to operate 127,000 beds throughout the country. I cannot answer specifically as to any one hospital, but I can say that it is my understanding that there are sufficient funds to take care of all veterans' hospitals on an operating basis.

If the funds are not sufficient, certainly the Veterans' Administration will come forward at a later time with a supplemental request for more funds. It is my understanding that there was no reduction from the Budget Director's recommendation on that point.

Mr. MALONE. Mr. President, if the Senator from Wisconsin will further yield, I should like to ask the distinguished chairman of the Armed Services Committee a further question.

The PRESIDING OFFICER (Mr. FORT in the chair). Does the Senator from Wisconsin yield further?

Mr. MCCARTHY. I yield, with the same understanding.

Mr. MALONE. The veterans' hospital in Reno, Nev., serves 15 of Nevada's 17 counties. An average Nevada county is about the size of the State of Massachusetts. The hospital also serves 8 counties in California, Reno being within about 20 miles of the Nevada-California boundary. Is it understood that even though there is a deficiency in actual capacity, the hospital being limited, with the present personnel, to 120 beds, there will be sufficient money to increase the actual capacity of the veterans' hospital to 166 beds, or the full capacity, if necessary?

Mr. SALTONSTALL. I believe so. The figures given to us were based upon the expected operating capacity of the hospitals for this year. However, I assure my friend from Nevada that the Appropriations Committee has never been "tight" in considering the operation of veterans' hospitals.

Mr. MALONE. I should like to ask the distinguished chairman of the Armed Services Committee a further question. Did the current head of the veterans' hospital service say to the committee that he would take care of the situation?

Mr. SALTONSTALL. As I say, I cannot answer with respect to any one specific hospital.

Mr. MALONE. I am talking about the overall picture.

Mr. SALTONSTALL. He was satisfied. Mr. MALONE. He was satisfied, but did he say that he would take care of the situation? There is some question as to whether in the past there has been a reduction in the personnel at certain hospitals. What would he say about that?

Mr. SALTONSTALL. He expected to take care of all veterans with service-connected disabilities, and to the extent beds were available, he expected to take care of veterans with non-service-connected disabilities.

Mr. MALONE. Was it the intention to continue to operate the hospitals at reduced capacity, and then claim that additional capacity was not available for disabled veterans?

Mr. SALTONSTALL. That is not my understanding.

Mr. MALONE. I thank the Senator.

#### MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Miller, one of his secretaries.

#### THE WAR ON COMMUNISM

Mr. MCCARTHY. Mr. President, first, I wish to express my very deep appreciation to the ranking Democratic member on the Permanent Investigations Subcommittee, Mr. McCRELLAN, for consenting to lend me, for the day, the very able minority counsel, Mr. Kennedy who has been working on some aspects of the problem which I intend to discuss today. I deeply appreciate the courtesy of the Senator from Arkansas in consenting to have Mr. Kennedy present this afternoon so that he can furnish me facts and figures which I may require.

This afternoon I shall take a brief amount of the Senate's time to discuss a developing situation which disturbs me very deeply. The outcome of this situation may well decree the death or insure the life of our free civilization.

Mr. MAYBANK. Mr. President, may we have order so that we can hear?

The PRESIDING OFFICER. The Senate will be in order.

Mr. MCCARTHY. I thank the Senator very much.

First, however, I should like briefly to review the history of the war in which we are engaged today—a war which was publicly declared 106 years ago in the year 1848 by Karl Marx. As I have so often said before, it is a war which we did not start, and which we cannot stop except by victory or death for this Nation.

Mr. MAYBANK. Mr. President, again I ask that the Senate be in order so that all of us can hear the Senator from Wisconsin.

The PRESIDING OFFICER. The Senator from Wisconsin will suspend.

Mr. MCCARTHY. Gladly.

The PRESIDING OFFICER. The Senate will be in order. The Chair advises the occupants of the galleries that no demonstrations will be permitted. They are requested to remain as quiet as possible. The Senator from Wisconsin may proceed.

Mr. MCCARTHY. I thank the Chair and I thank the Senator from South Carolina.

There has been only one change in that declaration of war over the past 106 years. As Senators know, when Karl

Marx declared that while the creation of a Communist world could be accomplished in most nations only by bloody revolutions, there were two nations which were exceptions; namely, the United States and England, and that in those two nations communism could be imposed upon the people by infiltration and treason from within the country. That declaration of war against free civilization was modified by Lenin in 1914, at which time he brought up to date the official Communist line, namely, that while Marx was right as of 1848, 66 years later, in 1914, the declaration of war had to be changed to the extent that the policy of the Communist Party from that time forward was the destruction of non-Communist governments by force and violence, and that from that time onward the United States and Great Britain would not be exceptions to the rule, as Marx had originally suggested, and that while much could be done by boring from within, nevertheless the Communist creed was that violence and bloodshed were necessary in the end to destroy all non-Communist governments.

Senators know that the new line known as the Marx-Lenin line.

During the first 69 years after Karl Marx declared war on civilization, 1 acre of the world's area was under Communist domination; we call it the Communist chain. But, that, however, the Communists did make progress in setting the stage for future Communist victories by creating well disciplined treasonable cells in various areas of the earth. Thus, for 69 years after the Communist declaration of war they did not control a single foot of ground on the face of the globe. Thirty-seven years ago, however, in 1917 the Kaiser's government secretly financed the return to Russia of seven Communist exiles led by Nicolai Lenin—exiles who had been forced to flee Russia.

Once in Russia they undermined the army, they undermined the navy, and the civilian heads of the government by the same methods which the Communists are employing in the United States today, and in 100 days those 7 Communists were literally the masters of Russia. Now, with all the wealth of the nation at their command they, of course, proceeded to finance Communist parties in every country in the world. They sent to those countries trained propagandists and spies. Their purpose, obviously, was to infiltrate the governments, and once Communists were in government they in turn brought others in.

As I refer to this history—and I believe it to be necessary to do so as a background for what I intend to discuss—and as I believe that only 7 traitors had made themselves the masters of 180 million people in 100 days, I cannot help thinking of the testimony taken by our committee a few days ago when an apparently very honest and very sincere witness was testifying about Communist infiltration, and he said, "Oh, but there aren't very many. Don't worry about them."

From 1917 to 1945 very little progress

tors to increase the number of people in Communist chains. For the Communists achieved a more massive victory than was ever achieved by any brutalitarian dictator in the history of this world. One hundred and eighty million people under Communist domination in 1945; in 1952 between 800 and 900 million people in chains and over one-third of the earth's area under Communist control.

In addition to the hundreds of millions in Red slavery in Europe and Asia, the Communists have finally gained a foothold and a potential base for military operations in our half of the world—Guatemala.

In that connection, Mr. President, I am sure Senators have read the news story of May 18, yesterday, stating that a ship flying the flag of one of our allies was used to transport weapons of war to Guatemala, the seat of a potential U. S. S. R. in this half of the world.

Since the end of 1952 the number of human beings under Communist control has remained about the same. However, on this 19th day of May 1954, there is in progress a Communist operation which, if successful, will spread the Red terror over other vast areas of the world, enslave additional hundreds of millions of people, and might well spell the doom of our free civilization.

While the hour is late, it is not too late. We can still win this war. Of course it would be a waste of my time and a great waste of the time of the able Senators on the floor today if I were merely to discuss the history and danger of the Communist menace. Therefore, today I should like to discuss some suggestion which in my opinion, if adopted, could turn the tide which has been going against us during the past decades, and ultimately result in a free world.

Today I shall discuss only one area of the world. In that connection, I have had maps showing that area placed in the rear of the Chamber. They may be used in the event any Senators feel there are any additional matters they would like to discuss in connection with this subject. The maps are available for the convenience of all Senators.

At the outset let me make it very clear that I freely admit there are many aspects of this extremely intricate and baffling world situation upon which others are much more fully versed.

I am painfully aware—very painfully aware—of the fact that today's suggestions for a general plan of action by the United States in the Far East will be hailed by some as "an attack upon the Eisenhower administration." However, with the world going up in flames, and our civilization facing the imminent threat of further Communist enslavement, every Senator and every Representative has a duty to add whatever contribution he may have, hoping that if all suggested courses of action are freely discussed and carefully considered, we may arrive at a better solution, which we can all agree upon.

In regard to the situation in the Far East, I am sure that the American people are fully aware of the danger.

bedeviled by the corrosion and the sap-  
what at best and in the most charitable mood we can say were gross mistakes. It makes their job difficult almost beyond words.

I may say to my friends on the other side of the aisle that when I talk about 20 years of mistakes, I realize full well that there are some very able men sitting on the Democratic side and if they had been running the administration, if they had been handling the situation, we would not have the difficulties which we are facing today. This is not an indictment against the very, very able men of the opposite party. I often think, "Thank God, we have some good men over there."

As Senators will recall, a few weeks ago television, radio, and newspapers headlined a statement by our very able and conscientious young Vice President that American young men might have to be sent to Indochina. On almost the same day the head of our Foreign Operations Administration returned from a conference with our European allies and indicated that a great victory had been achieved. What was that victory? It was that we would allow our allies to ship the snags of a naval and military strength to an enemy who was waging, directing, and controlling the war in Indochina—the same war Mr. President, that our Vice President says may require the blood of American young men.

As of now the American people are denied the information as to what materials will be shipped by our allies to our enemies.

In that connection, our committee investigated this matter months ago. It was about as nonpartisan an investigation as could be made. The young men who did most of the work were Mr. Robert Kennedy, a Democrat, and Mr. Francis Flanagan, another very able young man. There was no politics in that investigation, Mr. President.

We tried to find out at that time what materials which the United States had listed as strategic war materials were being shipped by our allies to Communist bloc nations, with, of course, no restriction upon reshipment to Red China or Indochina. At that time we ran into an almost unbelievable situation. We were told that this information could not be given to the Congress because it was security information. At that time Mr. Kennedy pointed out that the purpose of listing something as secret or confidential, as security information, was to keep the information from the enemy, and that, of course, the Communists knew what our allies were shipping to them. He pointed out very clearly, I thought, to everyone concerned, that if the Communists knew what strategic war materials our allies were shipping to them, which, of course, they did, then the question would arise as to who was the enemy from whom the information should be kept?

We never received a satisfactory answer to that question except that the only enemies consisted of Orange and the American people.

Now this sounds fantastic, but it is the way the situation is handled.

ter of cold record, and the hearings Government Printing Office by anyone who cares to have them.

So, as of today, all we know is that materials which we consider strategic war materials are being shipped to Communist nations. What those materials are the Communists know, but the United States Senate cannot get the information because it would violate security.

I sincerely hope, Mr. President, that before this body acts upon any requests for ECA funds it will inform the head of the ECA that the United States Senate is not the enemy and that so long as the Communists know what they are getting, the American people should also have such information.

#### ARMING OUR POTENTIAL ENEMIES \*

Mr. MALONE. Mr. President, will the Senator from Wisconsin yield?

Mr. MCCARTHY. I shall be glad to yield.

Mr. MALONE. I should like to ask the distinguished Senator from Wisconsin if there is not a precedent for shipping critical and strategic war materials to our potential enemies? Did we not ship petroleum and scrap iron to Japan prior to World War II?

Mr. MCCARTHY. There is no question that we shipped scrap iron and other metals to Japan, together with petroleum and other items. There is no question that American boys died because of those shipments to Japan.

Mr. MALONE. Is it not a fact that the bodies of the American boys we sent into the Pacific area were the targets of the scrap iron we sent to Japan?

Mr. MCCARTHY. That is correct. As the Senator knows, there is an extremely serious situation in Indochina. We took a severe beating through the fall of Dien Bien Phu, and the Armageddon may well be fought out, not on the plains of Africa, but in the jungles of Indochina. If we lose Indochina we shall lose all of Asia. If we lose Asia, Japan will fall of its own weight; the Philippines will fall, and there will be a Red Pacific Ocean washing our western shores.

Let me say, further, that Lenin did not keep us in the dark about this matter. He made very clear what Russia's aims were insofar as Asia was concerned. I cannot quote his words verbatim, but, roughly, here is what he said:

He who controls China—

And this was away back in 1914—

He who controls China will control all of Asia. He who controls Asia will rule the world.

That is what we are faced with today.

Mr. MALONE. A great many years ago it was said that any nation that controls the heartland of Asia—Burma, south and central China, and northern Burma—would control the world. A great Russian military strategist outlined such a plan in a published work. Of course, the Chinese deliberately kept this information secret and with that in mind, they have been a matter

I should like to ask more question. Did not England entirely announce that tin and rubber would be available to Russia in the same manner as to the United States.

Mr. McCARTHY. I may say to the Senator from Nevada that on April 30 the British announced that rubber would be taken off the list of strategic materials. In that connection I think it is important to note that our peacetime economy requires approximately 40,000 tons of rubber a year. We can assume that Russia's peacetime economy requires no more than that amount. In 1952 there were shipped to Communist nations 194,000 tons of rubber. The purpose obviously was stockpiling for a future war and building up their war machine. There can be no question about that.

Mr. Frank Nash, the former very able Assistant Secretary of Defense, appeared before our committee and stated with reference to the shipment of rubber to Russia that its chief use was for direct military support and for the building of war plants which would increase the war potential, or for stockpiling for war.

Mr. MALONE. Mr. President, will the Senator from Wisconsin further yield?

Mr. McCARTHY. I yield.

Mr. MALONE. I appreciate the address which the able Senator from Wisconsin is making to the Senate in calling this matter so forcefully to the attention of that body at this time. But since the close of World War II has there been any cessation of trade with Russia? At one time in 1949, as I recall, I placed in the Record a list of 96 trade treaties which the 17 Marshall plan countries of Europe had with Soviet Russia and the other Iron Curtain countries.

As a matter of fact, if there was an Iron Curtain, it was badly dented from our side, because materials were being shipped continually, including ball bearings, engines, tool steel, and everything else needed to fight a war, were continually being shipped to Soviet Russia and the Iron Curtain countries by the European Marshall plan countries.

Mr. McCARTHY. One of the most important items, I may say to the Senator from Nevada, is industrial diamonds. A war machine cannot be built without industrial diamonds. One of our allies over a period of a number of years has knowingly and willfully supplied a great stockpile of industrial diamonds to Communist Russia. Let me make it very clear that I would not object if only the diamonds necessary for the regular machine tools used in the domestic economy were supplied; but there is no question that an ally, while it was getting billions of American dollars, was allowing Russia to build a stockpile supply of diamonds.

The statement has often been made that when we ship materials to Communist Russia, we obtain important materials in return, and that, therefore, we are helping the free world. In that connection, I desire to refer to a statement by Mr. Gilmore, who was a delegate from Malaya to the 1953 trade conference in Indonesia. He pointed out that Malaya, which, as the Senators know, is under British control, sent 73.6 million

to Russia in 1951.

What did Malaya receive in return? In return, it received just 40,000 Malayan dollars worth of material, of which \$38,500 was in the form of motion picture film.

During the first 11 months of 1952—Mr. Gilmore went on—the U. S. S. R. imported 28.7 million Malayan dollars' worth of natural rubber. What do the Senators think was received in return? The most strategic war material one could think of. In return for the Malayan rubber \$27,000 worth of material was received. Most of this, Mr. President, was copper. [Laughter.]

Mr. MALONE. Our State Department many times has announced that we must get manganese and other critical materials from Russia; therefore, we must send goods to Russia in return. Of course, that is asinine. There is more manganese in the Western Hemisphere, including Brazil, than the whole hemisphere can consume in 100 years.

Mr. McCARTHY. The Senator from Nevada is talking upon an extremely important subject, namely, the extent to which the United States has been made dependent upon foreign nations for the minerals which we shall need in case of war; the extent to which our mines have been allowed to become flooded; the extent to which the point 4 program has been used to open mines in foreign countries, which mines would be unavailable to us, because of the huge Russian submarine fleet. If we should become engaged in a war.

I ask the indulgence of the Senator from Nevada not to go into that subject today. It is a subject which I think requires a great deal of attention, as may be judged from the time it received from the Senator's own committee. I should like to develop other facts, without going into the mining situation, even though I think it is of the utmost importance.

Mr. MALONE. Can the Senator identify, for the benefit of the Senate, exactly what the term "cold war" means? We have continued to trade with foreign countries to an even greater extent than before the phrase was coined by the old fox, Churchill. What is there cold about it when it stimulates trade with the potential enemy?

Mr. McCARTHY. For me to try to give the Senate a definition would be a waste of the Senate's time and mine. I think all Senators are as competent to make their own decisions on that point as is anyone else in the Government. I do not desire to impose on their time for that purpose.

When the able Senator from Nevada began to ask me questions, I was discussing the type of materials which are being shipped by our allies, using American dollars, which means, of course, indirect financing.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. McCARTHY. I yield.

Mr. JOHNSON of Texas. I desire to interrupt the Senator from Wisconsin, but apropos of what the Senator from

has said, I wish to pose this question: Does the Senator from Wisconsin realize that today a Senate committee held a hearing on a proposal to close the only important tin smelter in the United States, and in the Western Hemisphere—a move which would result in making us completely dependent upon foreign sources for our tin?

Mr. McCARTHY. I think the Senator from Texas has raised one of the most important questions which could be raised. It is the same question which the Senator from Nevada [Mr. MALONE] raised.

My committee started an investigation of this situation, so far as mining is concerned. Frankly, after 3 or 4 months of preliminary investigation, I was convinced that the United States has been made dependent upon foreign sources for some of our most vital minerals. I have talked with some of the men who have been in the Government for the past 5 or 10 years, and who know something about the situation. I asked them why this was done. The answer, an unusual one, was, "We want to preserve the metal in the ground in the United States."

I had with me a mining engineer, who was shocked at this explanation. I cannot, in the floor of the Senate, repeat his conversation; but, in effect, he said, "Don't you gentlemen know that when you allow a mine in the United States, producing tin, to be closed and abandoned it takes 2 to 3 years to put the mine back in operation." The United States then becomes dependent on a mine in some foreign nation which chances are would not be available to this country in case of all-out war.

I do not know whether this closing of our mines has been done through complete ignorance of the subject, or whether it has been planned that way. Nevertheless, the result is the same. Whether one innocently blows a man's brains out or does it deliberately, the man is just as dead either way.

I think the hearing mentioned by the Senator from Texas is very important. If we should continue such practices, and if we should then get into a war in a matter of a year, 2 years, or 3 years, and should be required to cope with the tremendous submarine fleet which the Russians have built, we would be in the same potential position of being strangled to death as the Japanese were in during the last war.

I thank the able Senator from Texas for having asked the question.

Mr. President, when the able Senator from Nevada began to ask me questions, I was discussing the subject of materials being shipped by our allies to our enemies. I had pointed out that the head of the ECA had told me that he could not give us information, because it had to be kept secret.

However, the British Information Service, on April 7 of this year, reporting on the agreement reached in London between the nations receiving American dollars and Mr. Stassen, the head of our Foreign Operations Administration, who has the task of dis-



bursing those dollars. Approved For Release 2001/08/15 : CIA-RDP69-00642R000100190005-8  
Thornycroft, in the House of Commons. This is a quotation from the British Information Service; they had some reason to have it:

We found ourselves in full agreement that, while controls must be maintained on exports of goods which would add directly and significantly to the Soviet bloc's military capabilities, especially, of course, in unconventional weapons, we should seek a substantial relaxation of the controls on other goods and an expansion of civilian trade.

This quotation from the British Information Service will be found on page 13 of the hearings of the Foreign Relations Committee on April 9 of this year.

When the British Information Service selects this statement by a member of the House of Commons it is, of course, for the purpose of making clear the extent to which our allies can trade with the enemy.

There could be no other purpose for selecting that particular occasion.

Mr. President, you will note his statement that controls should be maintained especially on the shipment of unconventional weapons. Now what is a conventional weapon? Certainly artillery, tanks, anti-aircraft guns, radar, jet planes are all conventional weapons.

I do not know what this statement made in the British House of Commons and which was so important as to be picked up by the British Information Service means. The head of our organization which is charged with helping our allies tells us that he cannot say what materials our friends are shipping to our enemy on the ground that this is security information. Therefore, all we can do is pick up the crumbs of information which are available to try and find out what our allies are doing. The most important crumb I can find is this statement made in the British House of Commons quoted by the British Information Service in regard to special controls banning shipment of unconventional weapons of war to the enemy. To me this has only one meaning; namely, that they plan to ship conventional weapons of war. Of course, there is the usual gobbledegook, the qualifying phrase, of course, "we will ship nothing which endangers our security." But I repeat that unless they plan to ship some weapons of war this statement about the ban on unconventional weapons would be surplusage and the British Information Service would not pick it up.

After hearing this extremely disturbing news to the effect that Stassen's organization had agreed that the way for us to fight communism was to give billions of American dollars to our allies to indirectly finance their shipments to Communist-bloc nations, I wrote a letter to the head of the FOA on April 9, 1954. That was about 5 weeks ago. I will not take the time of the Senate to read the letter, but I ask unanimous consent that it be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

HAROLD E. STASSEN,

Director, Foreign Operations Administration, Washington, D. C.

DEAR GOVERNOR STASSEN: This subcommittee has maintained a continuing interest in the problem of trade with Iron Curtain countries on the part of ourselves and our allies. So that we might become better informed as to the problems presently facing this country in this field, I would appreciate it if you would furnish us with the following information:

It has come to my attention that certain of our allies have requested that we relax a number of the controls on trade with the Iron Curtain countries of goods on lists 1 and 2 of the Battle Act. Evidently prior to your recent trip to London there was prepared by members of your staff a paper which gave a detailed account of the suggestions and future plans for allies in this field. We would greatly appreciate it if you would send this subcommittee a copy of that report. If the report is classified we will, of course, take it subject to the classification.

It has been stated in the newspapers that members of your staff are remaining in Europe to study our relations with our allies regarding Communist-bloc trade. It is then requested that this subcommittee be kept fully advised about any reports that are received or made known in the future of lists of alien goods. If this information is requested we will, of course, take it subject to the classification.

It has come to my attention that you have indicated that certain shipments in your country are being made. I am enclosing the questions regarding the flow of strategic goods to countries behind the Iron Curtain. Allegedly they have done this by shipping these goods to a country which has less stringent controls than their own, where in turn the goods are transhipped to a Communist country, and finally shipping them back to a free port and arranging for them to be transhipped from there behind the Iron Curtain. We would like to have all information that you can give on the individuals involved in these activities.

I would also appreciate it if you would inform this subcommittee if there are now any goods on our embargo or restricted lists which are not similarly controlled by our allies.

Because of our particular interest in trade with Red China, I would appreciate it if you would furnish this subcommittee with a list of those goods which our allies now legally export to Red China but which were on the embargo or restricted list during the Korean war.

Thanking you for your assistance

Very truly yours,

JOHN McCARTHY,  
Chairman.

Mr. McCARTHY. Mr. President, in that letter I asked for information to which I thought the American people were entitled. On April 14 I received an answer. It is very brief, and I shall read it:

Your letter of April 9 to Governor Stassen arrived in this agency yesterday and was called to my attention today. You request certain documents and information on East-West trade controls.

Mr. President, I should like to depart from the reading at this point to say that one of the documents we requested was a 79-page report prepared by competent men in the FOA, stating in detail what the effect would be on the security of this country if our allies should put

those documents and information plans of trade with the Soviet bloc. We asked for the document. I can understand why it was refused.

Proceeding with the letter:

You request certain documents and information on East-West trade controls, involving current relations with our allies and matters of such delicacy and importance in United States foreign economic policy that they have been receiving attention at the highest executive-branch levels.

In the absence this week of both Governor Stassen and his Deputy for Mutual Defense Assistance Control, Admiral DeLoach, I hereby acknowledge receipt of your letter.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. McCARTHY. I am glad to yield to the Senator from New Mexico.

Mr. CHAVEZ. When the Senator from Wisconsin started his remarks he took to task and complained about the administration which had prevailed up to the 20th of January 1953, which is all right; but, of course, the complaint of the Senator from Wisconsin now is about another administration, which started on the 20th of January 1953. Is that correct?

Mr. McCARTHY. That is correct.

Mr. CHAVEZ. I thank the Senator.

Mr. McCARTHY. I may say to the Senator from New Mexico that whenever I intimate that I think we Republicans are doing anything wrong, I always hear the hue and cry that "McCARTHY is attacking Eisenhower." I am sure Senators will agree with me that a Senator takes the same oath of office when a President takes. We do not expect any President to be perfect, not even a Republican President. While I think that President Eisenhower has made many steps in the right direction, if I as a Senator feel that there is something we are doing which is wrong, I cannot conscientiously live up to my oath of office if I do not state my view. I think that it is my duty as a Senator to state the any less binding upon me whether there is a Republican President or a Democratic President.

Mr. CHAVEZ. I think the Senator from Wisconsin should be complimented for that statement. I have taken the same oath of office every other Senator has taken, and I do not always agree with our side or even with the minority leader. However, I wanted the statement of the Senator from Wisconsin to be clear that, notwithstanding the fact that he has taken to task an administration which had been in power for 20 years, he is now taking to task a different administration, whether he intends to criticize the President himself or members of his administration.

Mr. McCARTHY. I may say to the Senator that one very important step was taken by President Eisenhower within a matter of hours after he took the oath of office. In his state of the Union message, the President discussed the situation which had existed prior to his becoming President, when our Seventh Fleet was in effect guarding the Communist coast of China, and assigned to the task of preventing the non-

Communist navy at Formosa from sinking Communist shipping.

As the Senator may know, I campaigned about that during the campaign. I thought it was an unheard-of situation. President Eisenhower, within hours after he assumed office, canceled that inhuman, infernal, dishonest order to the Seventh Fleet, which had required the "United States Navy," and I quote the President, "to serve as a defensive arm of Communist China."

I desire to make it clear that I think the President has taken many steps in the right direction, but I think the President needs the advice and assistance of Senators on both sides of the aisle, even though at times it may be painful to discuss the shortcomings of one's party. In 1950 and 1952 I campaigned in almost every State of the Union. One of the statements which I made more than any other was that the Democratic administration should be defeated because, as I said, I felt they were placing the party above country. Further, I said, I believe that one of the responsibilities of the object of a campaign is to bring to the attention of the public the shortcomings of his party. I say to the Senator from New Mexico that when I campaign against the Democrats for the purpose of stating I was sincere, I was making a promise to the American people. As I am in the Senate, I shall not refrain from exposing what I think is wrong. When I think something is wrong in this administration I shall not refrain from exposing it merely because it may be embarrassing to my party.

Mr. CHAVEZ. The Senator is correct. No one is impeaching the motives, honesty, or sincerity of purpose of the Senator from Wisconsin. However, the Senator knows, as everyone else does, that one of the basic rights of the American people is that of persons who are just as honest and as sincere as those who take a different view, to disagree about certain matters. I think the President is doing a fine job, but because he is doing a fine job I do not think that every time he acts his action is correct. In my opinion, the President is not correct so far as Latin America is concerned. He sent his brother, Dr. Milton Eisenhower, to Latin America. Dr. Eisenhower is a very fine citizen, a great American, and a patriot, and he told the people of Latin America how we feel about them. Then, within 2 or 3 weeks, 1 of the members of the President's Cabinet, the Postmaster General, undid everything that Dr. Eisenhower had done in Latin America. I believe in the freedom of the press.

I believe in magazines. I believe in newspapers. I believe they are the best agencies to promote good will in Latin America. What did the Postmaster General do which undid everything that the President was trying to do? He raised the mailing charges of American newspapers and magazines sent to Latin America by 100 percent. I am not blaming the President for that particular matter. We have to be very careful and try to agree—even to disagree.

I think the Senator from Wisconsin is sincere and honest, and is trying to do what is right. But in many instances I do not agree with what he is doing—not because I do not think he is trying to do the right thing, but because, as he himself has said, possibly he might be wrong. Nevertheless we would not question the motives of the Senator from Wisconsin.

Mr. McCARTHY. I thank the Senator from New Mexico very much.

I should like to make it very clear to the Senate that, while I disagree with some of the things my own administration is doing, I campaigned for Mr. Eisenhower vigorously in 1952 and if he were running again today, I would campaign for him, not because I think he is perfect, but because I think his battle record is high. At this moment, a rather unpleasant hassle seems to be developing between our committee and the White House. I know the President thinks it is right. Possibly, I think he is making a mistake. But our disagreement on this matter certainly would not lead me to do anything but to campaign for President Eisenhower if he were running for office again.

Mr. CHAVEZ. Mr. President, will the Senator from Wisconsin indicate me for a moment further?

The PRESIDENT pro TEMORE. Does the Senator from Wisconsin wish to go further to the Senator from New Mexico?

Mr. McCARTHY. I am glad to yield.

Mr. CHAVEZ. At the beginning of the address of the Senator from Wisconsin—and I believe everyone agrees with him that we should prevent enslavement by any Communist government—he mentioned Guatemala. What about the enslavement of the people of Guatemala by economic pressure? Would the Senator from Wisconsin care to give us his ideas on that subject?

Mr. McCARTHY. Let me say to the Senator from New Mexico that the enslavement of people in Guatemala is the same as Communist enslavement anywhere else. Guatemala is under the thumb of the Communist conspiracy, which at this time is attempting to sweep into other Central and South American countries.

Mr. CHAVEZ. That is bad; but what about enslavement by the United Fruit Co.?

Mr. McCARTHY. I cannot answer as to that.

Mr. CHAVEZ. I will tell the Senator from Wisconsin: The people of Honduras and Guatemala are starving under a form of economic enslavement.

Mr. McCARTHY. Let me say to the Senator from New Mexico that I have very often heard it argued that if we could give every person in the world a quart of milk every day and a T-bone steak every day, there would be no Communist threat. I do not feel that is the complete answer. If the Senator from New Mexico will check the history of the United States, he will find that the real Communist traitors were not persons who were "born on the wrong side of the tracks." Consider Alger Hiss, for example. He was a man of wealth and was a member of the United States Government. He was a young man—a high Government

post of honor and trust. Consider William Remington, likewise. They were not traitors because they were hungry.

I agree with the Senator from New Mexico that it will be an ideal situation when every human being on earth can have sufficient clothes to wear and sufficient food to eat.

Mr. CHAVEZ. No person should be hungry.

Mr. McCARTHY. But communism has not been brought about by means of poverty. Although poverty may at times and communism, there are other nations just as poor as Guatemala who are not under the Communist dictatorship. For instance, let me refer, if I may, to Siam, or Thailand. The people of Thailand do not have any more food than do the people of Guatemala. The people of Thailand do not have any more T-bone steaks than do the people of Guatemala. But 99 percent of the people of Thailand are vigorously anti-Communist. That country is one of the bright spots in all of Asia. Of course I, too, would like them to have T-bone steaks to eat every day; but there is nothing we can do about that. However, we can do something about cutting off the flow of materials to our enemies.

The point the Senator from New Mexico has raised was made by one of the ablest Members of the Senate. I agree, although I disagree with him on some points. The question under discussion is what the effect would be if the United States shipped food and other materials to the Communist nations. Would that make them give up communism?

The Senator from New Jersey (Mr. SMITH) asked some questions of Mr. Stassen when he recently appeared before the Senate Foreign Relations Committee to which I should like to refer. They appear on page 17 of the Record. I am referring now to the discussion about having the United States attempt to alleviate conditions in Communist nations and thus turn them away from communism.

The Senator from New Jersey said:

I agree with you on that. But this troubles me, too, Governor. Under the President's program we want to build our military security but we keep on saying constantly that unless we have our economy built up at home we cannot maintain this posture of strength.

Now, why is that not true also of the Russian situation and why do we give Russia that buildup of economic strength in order to support her military strength? If we think today, as I do, that she really is suffering—and I believe what you said about the gold indicates there is some trouble there at home—why should we not increase that pressure at home?

Let me say to the Senator from New Mexico that that quotation may not seem to be a direct answer to the question he has asked.

Mr. CHAVEZ. Yes; it is.

Mr. McCARTHY. But I am pointing out that although we should alleviate, if we can, conditions of poverty in this situation, yet, as I think the Senator from New Jersey just quoted pointed out so well—and as the way I am indicating—there is some trouble there at home—why should we not increase the pressure at home?

Approved For Release 2001/08/15 : CIA-RDP69-00642R000100190005-8

cause when we ship food, clothing, or other materials behind the Iron Curtain. Although a man cannot be shot with clothes or food, yet if the Communist nations do not have sufficient food and clothing, they cannot wage war.

Mr. CHAVEZ. Mr. President, everything the Senator from Wisconsin says is correct. But other agents of communism are poverty and starvation. That is what I am complaining about in the case of South America. If we are sermonizing to the world about free people, why not give those people a chance to have something to eat?

Mr. McCARTHY. I agree wholeheartedly with the Senator from New Mexico, that, instead of allowing our allies to ship materials to our enemies, we should first take care of our friends. There is no question about that.

Mr. CHAVEZ. Mr. President, if the Senator from Wisconsin will be so kind as to permit me to speak briefly at this point, I shall make this statement to the Senate and to the country: I believe that the future of the Western Hemisphere, from Hudson Bay all the way to Patagonia, depends on the friendship of those countries and the development of their natural resources. If the people of Guatemala have something to eat and a chance to earn a living, communism will not exist there. But so long as such conditions exist as those to which I have referred, there will be resentment.

Basically, those people are fine people. They are non-Communist; they do not want to be Communists. But they are now like our forefathers in this country were—those who fought for liberty and the pursuit of happiness. That is exactly what the people of those countries are asking to obtain, and naturally the Communists take advantage of their poverty.

Mr. McCARTHY. I agree wholeheartedly with the Senator from New Mexico that we should do everything we can do to alleviate poverty in any area of the world.

But let me point out to him a situation which I think may serve to illustrate that poverty is not what creates treason.

Mr. CHAVEZ. I am not talking at all about Alger Hiss.

Mr. McCARTHY. We had before our committee 92 persons who were asked whether they were members of the Communist conspiracy. Some of them were asked whether they belonged to an espionage ring or a sabotage ring. All of them refused to answer as to their Communist affiliations on the ground that their answer might incriminate them—in other words, that it might cause them to go to jail.

I took some trouble to check into the backgrounds of a majority of those 92 persons—fifth amendment Communists—and I found that, to a man, not one of them was a Communist because of poverty.

Let me cite one case in particular. A man by the name of Henry Campbell Archdeacon was before the subcommittee in Boston. He was working at a machine plant. He held an excellent job and was certainly not poor. When he

was before the subcommittee I asked him:

Mr. Archdeacon, if we were to have war with Communist Russia, and if the Communist Party ordered you to sabotage facilities at General Electric, would you disobey that order for the Communist Party?

The answer was:

I refuse to answer that Mr. Senator on the ground that my answer might tend to incriminate me.

In other words, he refused to answer on the ground that the truth might send him to jail.

Mr. CHAVEZ. He should be punished. But are we going to blame 165 million other people in the United States because there are 92 traitors? Or are we going to uphold the American ideals of liberty? As the Senator knows, every State in the Union has a penitentiary. Are we going to blame the fine, honest Christian people of every State because the State penitentiary is full of criminals? That is the only point I am trying to make. I know there are Communists. I know the Senator has proved that there are Communists. I know that poverty is not responsible for all Communists. The point about Latin America is that the people of those countries do not want to be Communists, but they play into the hands of Communists because of economic conditions. That is the only point. I do not disagree with the Senator.

Mr. McCARTHY. I thank the Senator.

Mr. President, after the Senator from New Jersey (Mr. SMITH) had questioned Mr. Stassen about the effect of shipping not weapons of war, but materials which would help the economy of those Communist bloc nations, I tried to find Mr. Stassen's answer. The question appeared on page 17. I turned to the next page. I could not find anything that appeared to be an answer there. I did find what apparently was the answer; and I call this to the attention of the Appropriations Committee and of the Senate, and ask Senators to bear it in mind when we come to the question of appropriating money for FCA.

Apparently the answer to the question as to why we are allowing our allies to ship tractors, machine tools, and what have you, to the Communist bloc nations, is in this statement by Mr. Stassen:

I put it this way, Senator: We are, in this new policy, seeking to open up the Iron Curtain to what might be called the free world's merchants of a better life.

I wonder if there is any Senator present who can understand that statement. Let me repeat it:

I put it this way, Senator: We are, in this new policy, seeking to open up the Iron Curtain to what might be called the free world's merchants of a better life.

When the free world ships 194,000 tons of rubber to Communist bloc nations at a time when their peacetime economy requires only 40,000 tons, I cannot understand in what way that helps to open them up to what might be called the free world's merchants of a better life.

Mr. Dulles, in a very frank discussion of Indochina, at the Hotel Statler on

the 7th of April, I believe, had this to say about the situation in Indochina:

The fighting is carried on by persons who are trained in Communist China across the northern border from Vietnam. They are equipped there and they go back to fight with artillery and ammunition which is supplied by or through Communist China. Military advisers, technical people to operate the artillery and communications systems, their trucks and means of locomotion, all come from Communist China.

That is the statement of our Secretary of State. Six days later the Washington Star carried an article by a Mr. Reper, to the effect that an American intelligence report detailed the fact that Soviet and Chinese Communist advisers were being used down to the division level in Indochina, and that "Communist political control continues down to the company level in the military and is spread throughout the administrative hierarchy."

Thus the pattern is set.

First, in Indochina there is being waged a battle for the control of all of Asia. This obviously is a battle for the ultimate control of the entire Pacific. If won by the Communists, it would be the gravest threat ever posed to these United States.

Second, according to our intelligence reports, that war is being directed from Moscow and Peking.

Third, the Vice President, regarding the seriousness of the situation, makes the statement that American young men may have to fight in Indochina.

Fourth, the head of our foreign-aid program agrees that our allies should continue receiving American dollars, even though they are shipping the sinews of economic and military strength to the same enemy who, according to the Vice President, may some day be killing American boys in Indochina.

As previously stated, we do not know exactly what materials our allies are shipping to the Communist-bloc nations, because those in charge have taken the position under oath that it would be a violation of security to have the United States Congress and the American people know what our allies are shipping to our enemies.

Perhaps of equal importance is the use of ships by our allies to carry goods from a Communist-bloc nation to Red China which, according to Secretary Dulles, is supplying the weapons of war for the Communists in Indochina.

As the Senators know, the total shipping available in the entire world is, roughly, 81 million tons. Seventy-eight million tons are controlled by the non-Communist nations. If the Communist nations had available only the 3 million tons of Communist shipping, the effect which this would have upon the Communist war-making potential of the Communists in Asia is too obvious even to merit discussion. In that connection, our committee which was investigating shipping between Communist-bloc nations and Red China during the Korean war found that approximately 75 percent of the ships entering the ports of Red China flew the flag of allies receiving American aid.

Approved For Release 2001/08/15 : CIA-RDP69-00642R000100190005-8



6151

CONGRESSIONAL RECORD — SENATE

May 19

Let me repeat that. Our investigation showed that during the Korean war—and we are having a repetition of it now, so far as Indochina is concerned—75 percent of the ships carrying material to Red China were flying the flags of our allies.

An even more disturbing situation in regard to the ships supporting Red China was disclosed when it was found that shipping firms of our allies were having their vessels chartered to carry MSA and other United States Government-financed cargoes while during the same period of time the same ship or ships belonging to the same company were carrying goods to China.

In 1952 alone, for example, the owners of at least 85 of the 193 vessels which had carried cargoes to and from Communist China also owned vessels which carried United States Government-financed goods. Fifteen of the 85 vessels were in both trades.

I realize that figures sometimes may seem boring, but these figures are of the utmost importance. They show a picture of indecency, dishonesty, and close trade with the enemy. Fifteen of the 85 vessels referred to were in both trades. That is, they carried cargo to and from Red China and also carried United States Government-financed cargoes. Twenty of the vessels were owned by owners who had other vessels which carried United States Government-financed cargoes. An example of this was the Williams Co. of Norway, which had 11 vessels and picked up MSA Security Administration (MSA) cargoes in 1952 and early 1953, while during the same period of time the company was sending 8 other of its ships in and out of Chinese Communist ports.

In other words, the United States Government was contracting with shipping companies to carry goods to combat communism—goods paid for by American taxpayers, while the same shipping companies were also carrying cargoes in and out of Red Chinese ports. To have the firms of our allies on the one hand carrying United States goods to stem the tide of communism and on the other hand trafficking with the Communist enemy in China is a situation which requires no comment.

The subcommittee made a suggestion to the executive branch of the Government that such firms be made to choose between carrying our cargoes and cargoes for the Chinese Communists. We felt that this would have the effect of eliminating this immoral "dual blood trade." In view of the fact that the United States transports a far larger volume of goods than that carried in and out of Chinese Communist ports, we felt that most of the shipowners from a purely monetary viewpoint would choose to side with the United States and thus cut off a considerable source of shipping to the Communists.

The executive branch of the Government, however, reacted to this suggestion of the subcommittee through the State Department, which is handling the

policy of the United States in order to accomplish its foreign objective.

We did not agree with this fantastic reasoning and we made our position vigorously clear. We pointed out that American shipowners had not taken part in this China trade for the past 3 years and that, therefore, we did not feel that giving foreign shipowners the free choice of "their or not" was being unduly harsh. It was, however, this American-sponsored bloc trade continued to support the Korean war.

I may point out, Mr. President, that for 3 years now we have said it is wrong and it is illegal for American shipowners to transport goods to any Red Chinese port. If that decision is right for us, it should be right for our allies also. If, on the other hand, it is right for our allies to engage in this money-making blood trade, it is right for our shipowners to do the same thing. The principle cannot be divided.

To what extent, therefore, still continues, namely, the practice of continuing the use of MSA funds to finance these ship companies? I do not know, because our administration has been highly reticent on this matter. It has been highly reticent on this matter for some time past by a very apparent intention, as the Chairman of the committee who shared with me.

After a conference with officials of FOA, however, they would not agree that it was completely improper to pay shipping companies for carrying goods to our allies to help them to fight Communism. At the same time pay the same company for carrying cargoes to Red China to help them to spread communism—when we suggested that any company which was carrying goods to Red China should not be receiving American dollars to carry cargoes to fight communism, the answer of the State Department was "this proposal would be a kind of blacklisting operation aimed at penalizing foreign ship operators in order to accomplish a control objective."

To quote Alice in Wonderland, "Things get curiously and curiously."

A most disturbing feature of the use of our allies' vessels is that they did not confine their activities to trading between their own home ports and Communist China. They carried cargoes also from Communist ports in Europe to Chinese Communist ports. If Moscow for example, wished to send supplies to China and a Polish or a Russian vessel was not available to carry them, they could charter a Norwegian, a French, or a British ship to carry the cargo. What is more unbelievable, a number of our allies in the United Nations allowed their vessels flying their flags to be used to carry cargoes for the Chinese Communists up and down the China coast. If the Chinese wished to move a cargo from central China to the port of Dairen, the gateway of the Korean war, they could and did charter British vessels to perform the task. As one example, in early 1953 the British flag vessel Northern Ohio, owned by the Great Eastern Shipping Co., of Hong Kong, was employed to carry goods from the Chinese Communist port of Dairen to the Communist port of

The seriousness of this Communist-inhabited trade can only be understood when we remember that the Communist enemy in Korea was, and now in Indochina is being supplied and equipped for the most part from China, U. S. S. R., and other Communist countries of Europe. Because of tremendous transportation problems, it is impossible for the U. S. S. R. and her European satellites to supply China and Indochina with war materials completely by land. They have to rely on ocean transportation.

In that connection, Mr. President, I invite attention to the map in the rear of the Chamber. Our intelligence information indicates—and there is nothing secret about this information, that as of today ships flying the flags of our allies are transporting war material from Communist bloc nations to Communist ports in China, and through three months passes the material is being shipped overland into Indochina.

Mr. President, if that material is denied to Red China and Indochina the war in Indochina, just as serious as we sit here this afternoon, would die and would lead to the end of the war.

I know there are those who say, "Well, nonstrategic materials don't count." But I should like to show the Senate today—and this is available to any Senator who cares to look at it—a typical ship's manifest. Senators will understand, of course, that when a British ship stops at the Communist port of Gdynia, for example, and takes on a load of 10,000 tons of cargo and then proceeds to a Communist port in Red China, the only way we can get any idea of what is in the hold of that vessel is by reading the manifest.

Mr. President, paper does not refuse ink. Anything can be put on a manifest. There is no inspection. I have before me a manifest which I believe to be rather interesting. I should like to quote briefly from it. Incidentally, for the benefit of the press, I have given them a copy of the prepared text, which indicates that this ship is a British-flag vessel. It was flying the Greek flag, but was owned by a British corporation. I should like to quote one of the special conditions contained in the manifest:

The vessel has liberty to call at any port or ports for any purpose, but the vessel is not to touch United States of America, or Canada, or Philippine, or Japanese ports prior to arrival at destination, and must not proceed via Panama Canal.

The name of the vessel is the *Arietta*, and its destination, was the Communist port of Wampoa in Red China.

I think this is very revealing. The manifest shows that the ship was carrying fertilizer in the amount of 10,000 tons. If the ship was carrying fertilizer, why should the captain have orders not to stop at any American port or any Philippine port or any Japanese port, or to pass through the Panama Canal? The reason is very obvious. The ship could not stand inspection of that cargo of fertilizer.

Mr. Frank Bess, who was before the committee yesterday, was asked about this manifest and that the ship was



carrying only nonstrategic materials. I cannot quote him verbatim, but he told us that a ship carrying 10,000 tons of fertilizer, according to its manifest, blew up on the high seas before it reached Red China. As one of the Senators from a farming area said, "That is the most explosive fertilizer I ever heard of, Mr. Secretary."

As Mr. Kennedy points out, there was a story in yesterday's newspapers in regard to a Swedish ship coming from a Polish port to supply arms to the Communists in Guatemala. The manifest of that ship stated it was carrying hardware. However, the State Department has announced that the cargo was in part guns.

Mr. President, as I before stated, I think President Eisenhower took one important step in the right direction within hours after he took office, but it was only a step. I should like, in all sincerity, to make some suggestions as to further steps that I feel he should take in the security interest of the country.

As Senators will recall during the Truman-Acheson regime our Seventh Fleet had instructions to prevent any attack upon the Communist coast of China by the non-Communist troops of Chiang Kai-shek on Formosa. I think Ambassador BULLITT described the situation very well in his testimony before the committee when he testified:

"The Communist Chinese Navy is forbidden to act in any way by order of our Government which has given orders to our fleet to prevent it from stopping the Communist supply ships going up to Korea. They sail right by Formosa, equipped with Soviet munitions put in the Polish Communist ships in Gdynia. They come all the way around and go right by Formosa and sail past there taking those weapons up to be used to kill American soldiers in Korea, and by order of our Government the Chinese Navy is flatly forbidden to stop them on their way up there."

Senator WATKINS. Would the Chinese Navy have the power, except for that order, to intercept them and capture them?

Ambassador BULLITT. Certainly, without question, without question. (McCarran committee, April 8, 1952.)

Mr. President, I should like to read what President Eisenhower said in his state of the Union message:

This meant in effect that the United States Navy was required to serve as a defensive arm of China. . . . This permitted those Communists with greater impunity to kill our soldiers and those of our United Nations allies in Korea. . . . I am, therefore, issuing instructions that the Seventh Fleet no longer be employed to shield Communist China.

As I said before, this certainly was a step in the right direction. It showed that our President was trying to fulfill his campaign promise and that he realized the gravity of the situation. But, Mr. President, this is not enough. I think, in fairness to President Eisenhower, we should realize that his job is tremendous.

As Vice President Nixon said, there is a possibility of American young men fighting and dying in Indochina.

No. 1, 15, as Vice President Nixon said, there is a possibility of American young men fighting and dying in Indochina.

China; No. 2, if, as Secretary Dulles says, the antiaircraft guns and artillery and other weapons of war are being supplied by the Red Chinese; No. 3, if as Army Intelligence reports say, the technicians and guiding orders are from Moscow and Peiping; then it is criminal folly to give money to "allies" who, according to statements in the British House of Commons, are shipping these sinews of military and economic strength to our enemy.

As I have previously said, Mr. President, of 81 million tons of shipping available to the entire world, non-Communist nations control 73 million tons. If we deny that shipping to the Communists it will be a death blow to their war-making power, and the war in Indochina will dry up and die over night.

They are receiving American dollars as of today, so we are indirectly financing their shipments to the coast of Red China shipments of materials which, in turn, are transhipped through passes and are being used to kill our friends in Indochina and will be used to kill American boys if we send them there.

How can we keep any of that 73 million tons of shipping from serving the Communist bloc nations? We can do it by simply telling our allies that they will not get one American dollar while any of their flag ships are plying this immoral, dishonest, indecent trade, and further that they will not get one cent of American money while they continue to ship to the enemy a single item which will help that Communist enemy to wage war.

As the Senate will recall, last year this matter of trade with Red China was before the Senate. I introduced two amendments to the mutual aid bill to provide that dollars would be denied our allies if they shipped goods to Red China and additional dollars would be denied them if their flag ships were carrying goods to our enemy. I refer Senators to the CONGRESSIONAL RECORD of July 29, 1953, in which Senators who opposed my amendments made it clear that they felt this matter would be taken care of without congressional action.

At that time, Mr. President, I did not share their confidence that the matter would be taken care of without legislation. I felt that unless Congress moved in, this blood trade would continue to increase. That has proved to be true. I derive no satisfaction from the fact that I was right a year ago. I only wish I had been wrong and that my colleagues who thought no legislation was needed were right. But, after the head of our Foreign Operations Administration, which is in charge of dispensing money to nations so they can help us fight communism, makes an agreement which allows our American-financed allies to ship to the Communists materials which we still have listed as strategic war materials, and when we have seen that happen, I think there can be no doubt in anyone's mind that congressional action is manifestly required.

I may say, Mr. President, that when the bill comes before the Senate, I intend again to offer amendments, hoping that this year our very respected

lotion was unnecessary and who then stated in the RECORD that they thought the matter could be taken care of without legislative action, may realize that after another dreary year has passed Congress should take action.

Mr. President, I sincerely hope that the Senate will refuse to take action on any foreign-aid funds until the head of the Foreign Operations Administration does what he has heretofore refused to do, namely, submit a detailed list of every type of material which it has been agreed our allies can ship to our enemies. There is no reason on God's earth why the American people should not frankly and honestly be given a complete picture of the extent to which their dollars are being used, through our allies, to strengthen our enemies.

As I have said a thousand times before, it is not possible to hide this matter behind the cloak of security. The only reason for using the label "secret," "top secret," or "classified information" is to keep the information from the enemy. When information is classified as security information merely to keep it from the American people, the Government simply is not being honest with them.

It should now be crystal clear even to the blind that Congress has no choice but to take action not next year, not next month, but at the earliest conceivable moment. We can still bring honor out of dishonor, we can still bring decency out of indecency. There are two courses of action which I strongly urge upon the executive branch. First, I urge that the Communist coast of China can be blockaded to a great extent merely by giving our allies the information that they will not get 1 cent of American money so long as they either ship goods to Red China or allow their ships to be used to carry cargoes to Red China.

Second, we should, at long last, let Chiang Kai-shek, who now has 23 divisions of well-trained soldiers on Formosa, know that he has our approval if he decides to return with his troops to the mainland of China.

The time is short. The sands in the hourglass of time are rapidly running out. But we still have time.

In conclusion, I ask the Senate to ponder, and I ask the American people to ponder, one question: How can I, as a United States Senator, or how can any of the other 94 United States Senators—there is now one vacancy—under his oath of office, vote to send the sons of American mothers to fight in the jungles of Indochina unless, first, every possible step is taken to make sure that when they get there they will not be killed with the weapons which, unfortunately, are financed by American dollars?

As of today, we have taken out of the pockets of each and every one of the 166 million American people money which has been sent to our allies. I voted to do that. At that time, I thought the funds would be used to strengthen our allies in their fight against communism. If that is being done, well and good. If it is not, then the American people are being cheated. But as of this day, May 1954, out of the

pockets of every American, and have sent it to our allies, and our allies are shipping the sinews of military strength to an area of the world to which our Vice President has said it may become necessary to send American boys. I am not criticizing the Vice President for having made that statement. Certainly Indochina must not be lost. If it is lost, we should be well on the way to a Communist world. The point I wish to make is that we must not even remotely think of sending American boys to the jungles of Indochina while we are financing the shipments of guns which will kill those young men after they get there. If this is permitted to happen, we shall be doing the same as we did in Korea.

There might have been some reason for the gross mistakes which were made in Korea, or the treason, call it what we may; but we should have learned a lesson by the 19th day of May 1954. There is no reason why there should be a repetition of what happened in Korea.

#### HEARINGS BEFORE SUBCOMMITTEE OF COMMITTEE ON GOVERNMENT OPERATIONS

Mr. LEHMAN. Mr. President, the suspension of the inquiry into the Army's charges against Senator McCarthy and of Senator McCarthy's charges against the Army has deeply disturbed the majority of the people of this country. If there is indeed any effort to bring the hearings to a close without a complete inquiry into the allegations and a final determination of the facts, the American people will resent such an effort. I personally will strongly oppose any such effort and will do everything in my power, as a Member of the Senate, to defeat it. I hope and trust that the Senate will insist, if it is necessary for the Senate to intervene in the matter, that the hearings continue until the charges are sifted and the facts are established.

The American people would equally oppose—and I hope the Senate would respond to that opposition—any effort to curtail the public nature of the hearings and to conduct them in secret rather than in the light of day. Such an effort if successful would, in my judgment, do very great harm to the Senate and to the country as a whole. The people's confidence in the Senate, which has already undergone significant deterioration, would be further lessened.

I hope that when the subcommittee reconvenes next Monday the decision will be made to resume public hearings, and to resume them promptly.

The issue raised by President Eisenhower in his directive, forbidding the members of the executive department from disclosing what went on at an executive conference, does not constitute, in my judgment, any ground whatever for suspending the hearings or curtailing them in any way. That issue, although important, is basically unrelated to the question which the subcommittee is now considering.

There is one other issue which I believe is important and which I believe is related to the question which the subcommittee is now considering.

the past for failing utterly to do what now, at long last, he has done in one specific case.

He has failed completely in the past to protect the legitimate prerogatives of the executive department against unwarranted and unjustified legislative encroachments. He has in the past permitted the demarcation between the executive and legislative departments to be completely blurred.

He has tolerated deep inroads by congressional committees, by congressional committee chairmen, and by individual Members of Congress into the executive branch of the Government. The authority of the executive branch has been thereby diminished, and the morale of its employees deeply impaired.

The constitutional balance of Government has itself been shaken.

One of those who has most successfully led the charge against the proper powers of the executive branch has been the junior Senator from Wisconsin. It has been going on for 2 years now, and in almost every case the administration has surrendered or compromised.

But this history is no justification for a further surrender at this time. In this case the Chief Executive is correct and should be supported. Of course, my knowledge of the situation is limited to what has appeared in the newspapers. The members of the subcommittee, including my Democratic colleagues on the subcommittee, may have facts in their possession which have impelled them and will impel them to press this issue further. I do not know those facts. Speaking only to the question of principle, I believe that the President is correct in protecting the confidence of policy discussions at an executive level.

As the President himself points out, his order does not foreclose testimony on matters where communication was directly between any of the principals in the controversy within the executive branch on the one hand and a member of the subcommittee and its staff on the other. I do not see any reason why the President's order should impede in any way the progress of the investigation or further interrupt the course of the hearings.

There are many deeply important and significant matters which remain yet to be explored to their ultimate conclusions.

There is the question of who is responsible for the faked photograph.

There is the question of who transmitted the phony FBI letter to the junior Senator from Wisconsin, in violation of law.

There is the question of why the Senator from Wisconsin will not disclose the name of that person, who, on the face of it, obviously violated the law and is guilty of one of the most serious violations of military security.

There is the grave question of whether the Senator from Wisconsin has the right to refuse to disclose the name of such a person.

There are, of course, many other questions which remain yet to be explored to their ultimate conclusions.

lively unanswered. All the basic issues are entirely unresolved.

As I have previously said the "hearings must not be permitted to go underground. This investigation must not become a whitewash. All hearings should be in public save when considerations of national security are clearly indicated."

A discontinuation, or even a further suspension, of the hearings would, as pointed out in the New York Times this morning, be an unjustified victory for the junior Senator from Wisconsin. Even more seriously, it would confuse and deeply disturb the American people. It would constitute a terrible blow to the prestige of both the executive and legislative branches of our Government.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. LEHMAN. I yield to the Senator from Oregon.

Mr. MORSE. I am very much interested in the remarks of the Senator from New York. I agree with him that the doctrine of separation of powers as laid down by the President is sound constitutional law. It is the same doctrine that I supported at the time of the MacArthur hearings, when an attempt was made to require General Bradley to testify as to what happened at the White House conference prior to the decision to use American forces in Korea. The Record will show that at that time I supported the position of the chairman of the committee that General Bradley should not be required by the committee to answer the question put to him by the senior Senator from Wisconsin (Mr. WILEY) as to what transpired at that conference on the ground of the doctrine of the separation of powers.

There was a brief discussion of the question in the committee. Some members took the position that the general did not have to testify because there was involved the doctrine of privilege. It was my opinion, and it is still my opinion, that the doctrine of privilege had nothing to do with it. The doctrine of privilege relates to the relationship of lawyer and client, doctor and patient, or priest and parishioner. It was my opinion that the general was justified in refusing to answer the question on the basis of the doctrine of separation of powers.

In this instance I believe that the President of the United States has done no more than to bring up to date the application of the doctrine which previously in our history has been applied by other Presidents, although I think he is somewhat belated in the application of the doctrine.

However, I should like to have the opinion of the Senator from New York on a question which does disturb me. In the McCarthy hearings there have been charges made by the Senator from Wisconsin against the Army, and by officials of the Army against the Senator from Wisconsin. The Senate is endeavoring to determine what the truth is with regard to the respective charges. I believe it is essential that the representative of the President be in on the doctrine which is involved. But does the doctrine of separation of powers require that, as